

## **City of Springfield**

## **FY 06 Recommended Budget**

**Function:** Finance  
**Department:** Finance  
**Department Budget:** \$1,486,978

### **Department Mission:**

The Finance Department and position of Chief Financial Officer were established under MGL Chapter 656 Section 2 was enacted January 8, 1990. The Finance Department is responsible for the overall budgetary and financial administration of the City of Springfield. The Finance Department's mission is to coordinate, administer, and supervise all financial services and activities. The department is responsible for the implementation and maintenance of uniform systems, controls, and procedures for all financial activities in all departments, including the school department, or boards, commissions, agencies or other units of city government operations which have a financial impact upon the general fund of the city.

### **Department Highlights:**

In FY'05 the Springfield Finance Control Board reorganized City Department's to reduce the number of departments reporting directly to the Mayor. Although, the Assessors, Finance/Budget Office, Treasurer/Collector, and Municipal Information Service Department reported to the Chief Financial Officer, the reorganization added the Purchasing Department to the number of departments reporting directly to the Chief Financial Officer. While Chapter 656 established the framework for streamlining financial operations, this year has been a year of transition. Departmental interdependencies have been identified and operational improvements are being made with an emphasis of end to end impact to assure the appropriate alignment of resources for improved service delivery to the citizens of Springfield.

The major activities in the finance/budget office include the development of the City of Springfield's annual performance based budget, initiating the development of a comprehensive Capital Improvement Plan, and Managing for results.

The performance based budget will be used as management tool for improving the level and quality of services provided to the community. It will provide the Mayor and citizenry with information as to what services are provided, the level of services provided, and the cost of services.

The Capital Improvement Plan will provide a comprehensive plan and timeline for the replacement or building of assets. This will be accomplished by developing a baseline fixed asset inventory, the age of our assets, to develop a comprehensive capital improvement plan. Once the plan has been completed financial management systems will be developed and implement to assure the appropriate level of oversight and financial management required to appropriate account and control costs

Managing for Result activity will primarily focus on the development and implementation of a quarterly performance budget report for the Mayor and Finance Control Board. The quarterly report will be used as a management tool measure the result achieved for the dollars expended. Other types individual projects will be initiated to improve efficiency, reduce costs, and provide community services.

**City of Springfield****FY 06 Recommended Budget**

**Function:** Finance  
**Department:** Finance  
**Program:** Finance  
**Program Budget** \$1,486,978

**Program Goal:**

The goal of the Finance program is to develop program based budgets for all city departments and implement computer generated reports which compares budget to actual expenditures. To continue processing monthly expenditure statements and prepare quarterly financial analysis reports to be consolidated into the year-end financial report as well as comparing the revenue reports to actual and projected revenues.

**Program Narrative:**

The department goal is primarily focused on managing for results and is engaged in numerous individual project initiatives to streamline, and improve the City's financial operations and management processes. The development of the annual budget will be transformed from a line item budget to a performance based program budget. This will provide the Mayor with information regarding the amount of money budgeted for programs within departments allowing for better management of financial resources. It will also provide metrics where actual results achieved will be measured against those budgeted.

A comprehensive Capital Improvement Plan will provide a structured timeline and approach for capital improvement projects; it will serve as the blueprint for the turnaround initiative of the City. Managing for results will encompass the use of the performance based budget to develop a reporting tool. The tool will be used to measure budget to actual expenditures and performance metrics. In addition, this will be an initiative to streamline the financial operations of the city's annual budget.

**Program Objectives:**

1. Maintain the percentage of time to produce the annual budget.
2. Effectively report the use of active capital projects.
3. Transition quarterly reports efficiently to monthly budget reporting.

<b>Key Program Measures</b>	<b>FY 2004 <u>Actual</u></b>	<b>FY 2005 <u>Estimated</u></b>	<b>FY 2006 <u>Projected</u></b>
Time used to prepare annual budget	n/a	25%	25%
Staff required to produce annual budget	n/a	*17	13
Active capital projects	n/a	n/a	n/a
Quarterly reports produced and transitioned to monthly reports	n/a	n/a	2

**Proposed Program Changes:**

\*Four positions are consultants. FY 06 will be used to further transform the budget document, and refinance the department's operations. Our goal is to position the Finance Department to produce two quarterly reports, with FY 07 goal to prepare a quarterly report.

**City of Springfield**  
**Program Summary**  
**Finance**  
**Finance**  
**Finance**

**FY 06 Recommended Budget**

	Actual					
	Expenditures		Adopted	Actual	Estimated	Proposed
	FY 04		FY 05	03/31/05	06/30/05	FY 06
EXPENDITURE SUMMARY						
Regular Payroll	\$	99,777	\$ 528,085	\$ 229,213	\$ 421,301	\$ 1,163,380
Overtime		-	-	-	-	-
Purchase of Service		-	418,380	78,170	251,442	317,780
Materials and Supplies		1,229	5,268	1,364	2,738	5,268
Intergovernmental		-	-	-	-	-
Other		-	550	-	-	550
Capital Outlay		-	-	-	12,195	-
Total	\$	101,006	\$ 952,283	\$ 308,747	\$ 687,676	\$ 1,486,978

	Actual	Estimated	Proposed
REVENUE SUMMARY	FY 04	FY 05	FY 06
Non General Fund			
Grants (Grant funded positions)	\$ -	\$ -	\$ 265,396
Bond Proceeds	-	-	-
Fees	-	-	-
Reimbursements	-	-	-
Total Non General Fund	\$ -	\$ -	\$ 265,396
General Fund			
General Fund Fees	\$ -	\$ -	\$ -
General Fund Contribution	101,006	687,676	1,221,582
Total General Fund	\$ 101,006	\$ 687,676	\$ 1,221,582
Total	\$ 101,006	\$ 687,676	\$ 1,486,978

	Actual	Adopted	Proposed
FUNDED POSITIONS/FTEs	FY 04	FY 05	FY 06
Chief Financial Officer	1	1	1
Financial Advisor to the Mayor		1	1
Director of Finance & Administration (HCETC & CD)	2	2	2
Sr Financial Analyst/Project Director & Financial Analyst	3	3	10
Budget Director & Compliance Regulatory Manager			2
Public Safety Grants Administrator/Grant Adm/Adm Asst		1	3
Total	6	8	19

<b>APPROPRIATION SUMMARY</b>								
Personal Services	\$	99,777	\$	528,085	\$	897,984		
Other Than Personal Services	\$	1,229	\$	424,198	\$	323,598		
Capital Outlay								
<b>TOTAL</b>	<b>\$</b>	<b>101,006</b>	<b>\$</b>	<b>952,283</b>	<b>\$</b>	<b>1,221,582</b>		